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NON-FEDERAL
(February 1985)

Permit Number ACT/015/025, 10/85

RECEIVED

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

NOV 01 1985

DIVISION OF OIL
GAS & MINING

This permit, ACT/015/025, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Co-Op Mining Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

for the Bear Canyon Mine. Co-Op Mining Company is the owner of certain fee-owned parcels. The permit is not valid until a performance bond is filed with the Division of Oil, Gas and Mining in the amount of \$237,545.00, payable to the state of Utah, Division of Oil, Gas and Mining and the DOGM has received a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as UCMRA.

Sec. 2 The permittee is authorized to conduct surface coal mining and reclamation operations on the following described lands (as shown on ownership map) within the permit area at the Bear Canyon Mine situated in the state of Utah, Emery County, and located:

Township 16 South, Range 7 East, SLBM:

Section 14: SW1/4

Section 23: E1/2, E1/2 NW1/4, E1/2 SW1/4

Section 24: All land West of North-South Trending
Bear Canyon Fault

Section 25: All land West of North-South Trending
Bear Canyon Fault

Section 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4
NE1/4 and the access/haul road and topsoil storage
area as shown on Plate 2-1 of the Mining and
Reclamation Plan

This legal description is for the permit boundary (as shown on the permit area map, Plate 2-1) of the Bear Canyon Mine. The permittee is authorized to conduct surface and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 This permit is issued for a term of five (5) years commencing on the date the permit is signed by the permittee, except that this permit will terminate if the permittee has not begun the surface coal mining and reclamation operations covered herein within three (3) years of the date of issuance.
- Sec. 4 The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Request for transfer, assignment or sale of permit rights must be done in accordance with applicable regulations including but not limited to UMC 788.17-.19.
- Sec. 5 The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in UMC 840.12, and UMC 842.13; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining plan and permit application and approved for the term of the permit and which are subject to the performance bond. Mining shall be confined to the Bear Canyon Coal Seam.

- Sec. 7 The permittee shall minimize any adverse impact to the environment or public health and safety resulting from noncompliance, including but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 8 The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program which prevents violation of any applicable State law.
- Sec. 9 The lessee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act and the approved Utah State Program.
- Sec. 10 The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 The permittee shall comply with the provisions of UCA 26-11-1 et seq (Water Pollution Control) and UCA 26-13-1 et seq (Clean Air).
- Sec. 12 Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act and the approved Utah State Program.

- Sec. 13 If during the course of mining operations, previously unidentified cultural resources are discovered, the applicant shall ensure that the site(s) is (are) not disturbed and shall notify the State Regulatory Authority (RA). The state RA shall inform the operator of necessary actions required.
- Sec. 14 APPEALS - The lessee shall have the right to appeal Division actions as provided under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and of performance set out in the leases, and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____

Date: _____

James R. Nielson
October 30, 1985

I certify that I have read and understand the requirements of this permit and any special conditions attached.

L. A. Montefiori
Authorized Representative of
the Permittee

Date: _____

11-1-85

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APPROVED AS TO FORM:

BY: Barbara W. Rherts
Assistant Attorney General

Date: October 30, 1985

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ATTACHMENT A
STIPULATIONS DOCUMENT

Co-Op Mining Company
Bear Canyon Mine
ACT/015/025, Emery County, Utah

October 30, 1985

Stipulation 782.15-(1, 2)-JW

1. Co-Op Mining Company will not conduct mining operations within any portion of the proposed incidental boundary changes shown on Plates 2-1 and 3-4 of the permit application.
2. Prior to conducting any mining operations in the proposed incidental boundary changes shown on Plate 2-1 and Plate 3-4 of this permit application, the applicant must submit a permit application and receive written approval from the Division and the Office of Surface Mining, including approval by the Secretary of the Interior.

Stipulation 817.13-.15-(1)-RVS

1. Within 30 days of completion, boreholes utilized for ground-water monitoring will be sealed in a nonpermanent fashion by installing PVC surface casing with a threaded cap for access.

Stipulation 817.44-(1)-TM

1. The applicant shall provide, within 60 days of permit approval, revised plans and drawings for the proposed rock gabion structures for final reclamation of the Bear Canyon stream channel. The revised plans and drawings shall incorporate the compliance concerns noted in UMC 817.44 of this TA.

Stipulation 817.46-(1)-TM

1. The applicant must provide, within 60 days of permit approval, detailed plans for removal of the sedimentation ponds during final reclamation. The applicant must provide plans to divert flows going to and around the sedimentation ponds during final reclamation of the ponds.

Stipulation 817.55-(1)-TM

1. The applicant shall not divert or discharge water from the surface or from an underground mine into other underground mine workings unless specific approval is obtained for this from the Division.

Stipulation 817.57-(1)-TM

1. The applicant must submit, within 60 days of permit approval, a map showing a new location for the electrical storage area on the disturbed area. Within 30 days of Division approval, Co-Op must relocate the electrical storage area to the approved location.

Stipulation 817.121-.126-(1)-RVS

1. The applicant must, within 30 days of permit approval, commit to maintaining a continuous barrier along the north-south trending fault that occurs approximately 950 feet in from the main access portal. The barrier shall be 80 feet wide with 40 feet of the barrier along each side of the fault for the entire length of the fault. The barrier may not be mined through without specific Division approval to do so based on revised mine sequence maps and mining plans submitted to the Division.

The applicant must provide within 30 days of permit approval a revised Plate 3-4 which delineates the 80 foot barrier.